

# MOTOR VEHICLE ADVISORY BOARD | MINUTES

Oct 19, 2020 | 2:00 pm MST | Utah State Tax Commission 210 N 1950 W SLC UT 84134

Attendees	Others in	
<b>Board Members in attendance:</b>	<b>attendance:</b>	
John Watson	Allan Shinney	Wayne Jones
Chris Mantis	Larry Ball	Adam Jones
Stephen Wade	Cole McAfee	Craig Bickmore
Clint Martin	Jeannie Aguilar	Jason Bickmore

## Agenda topics

Call to order

Public comment (members of the public wishing to address the Motor Vehicle Advisory Board for up to three minutes)

Previous meeting minute review

Cases Failure to deliver for dealers and private persons.

Electronic title status and how it can assist

DocuSign vs Original

Add more board members

Legislative Update on Motorboat dealer licensing

Proposed draft legislation from Legislators

Review draft of proposed rule changes

Upcoming legislative session may look like because of covid-19

Legislative Items

Other Legislative items

Other board member items

Adjourn

## Discussion items:

Call to order

Public Comment

Prior meeting minute review

Cases failure to deliver

Electronic title status

DocuSign vs Original

Add more board members

## Person responsible Title:

John Watson Board Chair

John Watson Board Chair

Open forum None

John Watson Board Chair

John Watson Board Chair

Allan Shinney MVED Director

Legislative update on motorboat  
Proposed draft legislation  
Review draft of proposed rule changes  
Upcoming legislative session (Covid-19)  
Other Board Member items  
Adjourn

### **Minute Details:**

1. Meeting called to order
2. Public comment: No public comment
3. Minutes from October 2020 approved with unanimous vote.
4. Cases Failure to deliver for dealers and private persons.
5. Electronic title status and how it can assist
6. DocuSign vs Original
7. Add more board members
8. Legislative Update on Motorboat dealer licensing
9. Proposed draft legislation from Legislators
10. Review draft of proposed rule changes
11. Upcoming legislative session may look like because of covid-19
12. Legislative Items
13. Other Legislative items
14. Other Board Member items
15. Adjourn

### **Cases Failure to deliver for dealer and private persons**

- Wayne states that he had a meeting about bond claims.
- Working on things that are concerning the bonds. Going to check with insurance commissioner's office.
- Allan Shinney, we have nothing to do with bonds. Unless there is a case for failure to deliver.
- John Watson would like to be put on notice or be aware.
- Wayne, would be happy to let the board know what the outcome will be from his meeting.
- Allan Shinney, feels as though this is a good opportunity for the industry to separate itself from KSL and private sector. Because we have the ability now to issue titles. If you have the titles take the titles. Failure to deliver titles are a huge issue right now.

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### Electronic title status and how it can assist

- Craig Bickmore, we have spent a lot of time on this. The association has done a pilot, and they are doing such a great job with what they have. The state has done a great job with their system already and doing what they need to do. Advise dealers to look at the DMV's to see what fits well for them and their enterprise and they will have a menu of things to see what's best for them.
- There will be some E-title in some time
- Stephen Wade how do we get the word out that MVED is doing a great job? How it is saving us money. So that our legislative people know about the motor vehicle board.
- Craig Bickmore, MVED does an exceptional job and Monte Roberts. Jason, Adam and Wayne interface with government which we do a lot. We are fans of MVED and the DMV.
- Stephen Wade, a letter would add credibility.
- Wayne Jones, draft a letter to the new gov. Who is going to draft the letter?
- John Watson, Craig and Wayne will draft a letter to the governor. **-ACTION ITEM-**
- John Watson, they have questioned if they board was necessary, we could invite MVED and other board members along with the governor, leadership members. So they can see the good of the Board.
- Wayne jones, Carbon copy to house and senate leadership.

### DocuSign vs Original

- Allan Shinney, trends with mortgage industry. Covid-19 standards and the concerns of buying a car online. The electronic signature as long as it has an IP address is a legal binding document. There are issues in statute/rules that we question all the time.
- John Watson, recontracting with general motors dealers and it's all DocuSign. And that for us if we are in a legal issue, the courts would rule on. You have to make mention that you are approving what you are signing.
- Allan Shinney, the state of Utah in 2013 was no longer a notary state. This is some of the issues with MVED/DMV all of the above. With what is required. This is some of the issues that are holding back electronic titling. Things are in place of the statute and the rules, it's just how you interpret it. Wants to make sure the board understands. We have never lost a case regarding this issue.
- Clint Martin, Do we need to implement a rule change?
- Allan shinney, we have been doing this since July.
- John Watson, are we sufficient to keep doing this through MVED?

- Allan Shinney, yes, in 2011 we archived more than any other department in the Tax Commission. We have cut down our archive more than 50%. Maybe even less than 10 boxes this year.
- Wayne Jones, Docu-Sign is needed. We can involve the financial institution. We need to get with Commerce as well. And maybe do a rule change and can follow up.
- Chris mantis, from our side it would make sense. Because I have a warehouse with lots of documents. It would be easier to pull from docu-ware.
- Allan Shinney, You should be able to prevent a lot of fraud. You see it because you have NMVITS access.
- Chris mantis, vehicles that we buy, then they go and apply for a duplicate and get a title loan. And face this challenge.
- John Watson, Wayne involve Craig to make a motion legislatively for a change into the electronic age.
- Wayne Jones, hopefully we can look at something, we do not know what the session is going to be like.
- Allan Shinney, it is tough to make change, and it is holding back progress.
- Clint Martin, Allan are you proposing that we make a motion now to get things rolling?
- John Watson, the only issue with that would be, if it was an acceptable process for a couple of these people that are just sort of on the fringe. Stephen and I just had a side note conversation, with credit unions. They still want to see the original document. We need get past this so we can align with what Allan said.
- Clint Martin , I would like to make motion that we push forward that the board strongly recommends that we adopt DocuSign as legally binding in the state of Utah regarding all motor vehicles paperwork. And that we would commission Wayne Jones primarily and Craig Bickmore to help them legislatively. **-ACTION ITEM-**
- Adam Jones, maybe note on there to add **"Electronic signature"**.
- Craig Bickmore, was this for this coming session? Or next session?
- John Watson, We were going to ask you and Wayne to get with financial institutions, and commerce legislatively to make sure they are on board so that we can move forward.
- Craig Bickmore, we have a task force looking at electronic signatures and my guess is that it can be done now.
- John Watson, All in favor of this say yes. No one objected

### Add more board members

- John Watson, I believe we have some of the smartest board members.
- Wayne Jones, This ties into item number eight. I would like to start on item number eight

- Which is Legislative Update on Motorboat dealer licensing.

### Legislative Update on Motorboat dealer licensing

- Wayne Jones, Senator Bramble opened up a bill file, for the motor boat dealers about a month ago. And his excitement he convinced the rev and tax committee to put that on interim study be completed either on the October or November interim study. And we had a monumental meeting with DMV, MVED, and parks and rec. We decided this is a much more complex issue than we had envisioned. Message in for Senator Bramble that we take that off of interim study and just leave a bill file open. Motorboat bill will not happen during interim I believe it will take us more time during the legislative session. A lot of research is going on right now. Should there be some kind of balance for Motorboat dealers?
- John Watson, the motorsports have had the best year they seen in the last two decades. As well as powersports, marine, and Rv dealers.
- Stephen Wade, they are up about 600%
- John Watson, our responsibility to the public should be make sure it goes the right way.

### Proposed draft legislation from Legislators

- Craig Bickmore, discussions with Representative Thurston. There is a bill file opened. Talking with attorney general's office. His question was aftermarket products, voluntary protection products etc. Allan and I visited on this as well. And he says "Well there is no regulation under those". And I said "yes there is there has to be a limited license and sales person license if they are dealing with that. I told him that our people are licensed and it caught him by surprise. That's good to know. We will send out the doc fee matrix. We want to remind the dealers of, doc fees, fair credit reporting, voluntary protection and robo calls.
- Allan Shinney, I did get an email from Representative Thurston's drafter. Do you have the authority to suspend a dealer's license for FNI guy? I will not. I do not have the authority to suspend a dealer license for a FNI guy's license. I can revoke a dealer's license for failure to make payoff, certain amount of failure to deliver titles, and be able to articulate if they public is at risk and that is a very broad definition and we do not want to lose that protection and have never abused it. I feel confident in my response to the drafter. We have never suspended the sales person.
- Craig Bickmore, Should I call him back for clarification.
- Larry Ball, we have suspended the sales license but they must fall under the category of 41-3-209.
- Craig Bickmore, We have been self-policing. They must be educated.
- Allan Shinney, We need to answer this solution.
- Wayne Jones, we need to wait and see his draft letter.

- John Watson, boils down to every new/used dealer should be periodically reminded things that are out there that plague our business that are a hot spot for an individual. The last thing we want is for this to go forward.
- Wayne Jones, Dealer education is critical for our industry.
- John Watson it is vital. Let's send out what we need for both new/used. Sometimes we get out of the loop and that is why it is important to advice. The last thing we want to do is alienate our customers.
- Craig Bickmore, the feds changed the odometer back to 20 years instead of 10 years. It was for SB 150.
- Wayne Jones, it had a lot to do with the airport funding.
- Craig Bickmore, did some research nationally it does not go into force until 2021 on a federal basis.

### Review draft of proposed rule changes

- Wayne Jones goes over rules changes for 877 and the other one is 873. And wants to open up with 873. If everyone agrees then we can put this into a final draft and send to Tax Commission. These are proposed rule changes for discussion purpose only.
- John Watson, for 873, 3 desired changes, can we just take this and make a motion to send up to the Tax Commission for a rule change? All in favor say I. **MOTION-**
- Wayne Jones, needs to be an even playing field for all dealers.
- Wayne Jones, You can add any wording just not the word "Free"
- Wayne Jones, will clean this up and send another draft.

### Upcoming legislative session what it may look like because of COVID-19

- Craig Bickmore, Was in a meeting with media, we have to lower the curve of the spread of Covid-19.

### Other Board members Items

- Chris Mantis, having issues with motorhomes and people filling them with hazmat material. And had some discussion with tow yards.

### Adjourn

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